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## BOOK DEPARTMENT.

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### REVIEWS.

*Compulsory Insurance in Germany.* Fourth Special Report of the Commissioner of Labor. Prepared under the direction of Carroll D. Wright. By JOHN GRAHAM BROOKS. Pp. 370. Washington, D. C., 1894.

In the summer of 1891 Mr. Brooks undertook a journey to Europe primarily, we understand, with the object of studying institutions of self-help. A year and a half later he returned the author of the best and most exhaustive treatise on state labor and social insurance which has so far appeared in the English language. If this scientific and impartial statement is a criterion of what might also have been expected had his original purpose been consummated, we may hope that another European visit will not be long delayed.

It is true that Mr. Brooks has been very fortunate in having at his command a larger mass of material and more complete and valuable sources of information than would be found available for any other social inquiry. His list of best books in the bibliography includes eighty-seven, but had he chosen to enumerate everything of merit that has been published, the list would probably have been four or five times as large. Still there is such a thing as an *embarras de choix*, and it must have been a somewhat tedious matter to go carefully over so much literature. Besides this, the names of so many prominent officials, professors and investigators of social topics are referred to, that we may be sure Mr. Brooks aimed to collect every well-founded opinion, and to present all views with generous impartiality.

The book before us is primarily a statement of facts. It commences with a chapter upon the origin and development of compulsory insurance which might have been made dreary enough had it been presented in the orthodox German fashion, but which has been made extremely readable, and shows in logical if not in chronological order the relation of state insurance to social democracy, to various forms of primitive insurance in the guilds, and how the practical carrying out of this insurance furnished the foundations for the present scheme. The influence of Lassalle, Karl Marlo, Dr. Schaeffle, who has been called the father of compulsory state insurance, the economic teachings of Wagner, and the emphasis given in Germany to the Christian

and ethical functions of the state, the determination of Bismarck and the late Emperor William to take a positive stand in furthering the social welfare of laborers, are all clearly pointed out. Next follow three chapters in which the laws of compulsory insurance against sickness, against accidents and against old age and invalidity are given textually, and facts relating to organization and administration quoted in full detail. The first of these measures was passed June 15, 1883. It was modified in April, 1892, in order to bring it into harmony with the other insurance laws which had in the meantime been passed. Sick insurance is about to be extended to agricultural laborers and to servants. At present nearly eight millions of persons are insured, and expenditures for sick relief amount to more than \$23,800,000 annually. The purpose of sick insurance is to ensure a certain and sufficient relief in case of illness during at least thirteen weeks. The employee pays two-thirds of the sick insurance and the employer one-third.

Accident insurance is likewise compulsory and universal. The first law was passed July 6, 1884, and dealt chiefly with industrial enterprises. The law of May 28, 1885, extended accident insurance to transportation agencies. A subsequent enactment, bearing the date of March 15, 1886, regulates accident insurance for state officials, military officers and soldiers. A few months later there was a further extension to agriculture and forestry, and it is on the eve of extension to home industry and commerce. Accident insurance is at the cost of employers.

Invalidity and old age insurance law was enacted June 22, 1889, and subjects to compulsory insurance after sixteen years of age all persons working for wages in every branch of trade, apprentices and servants included, managing officials and commercial assistants with regular salaries up to \$476. The old age and invalidity insurance fund is formed by equal contributions from employers and employed, and an imperial subsidy amounting to \$11.90 per annum is granted to every annuity.

The tabular statement on the next page gives salient facts in connection with these three insurance laws.

Four chapters have been dedicated respectively to the attitude of public opinion toward state insurance, the relation of state insurance to wages, to public charity and to feigned illness. Nothing very definite is said on any of these points. Public opinion now very generally favors sickness insurance, regards accident insurance with complacency, but is apparently discontented with the old age and invalidity measure. The law seems to be defective since, according to a reliable private calculation, nearly 40 per cent have failed to meet their legal obligations to contribute. The official statement reduces

## SUMMARY OF INSURANCE IN GERMANY IN 1892.

Persons insured, receipts, expenses, etc.	Insurance against		
	Sickness.	Accidents.	Old age and invalidity.
Persons insured, . . . . .	<i>a</i> 7,273,000	<i>b</i> 18,000,000	<i>c</i> 11,200,000
Persons relieved <i>d</i> , . . . . .	2,752,000	210,000	187,800
RECEIPTS:			
Contributions of employers, . . . . .	\$7,378,000.00	\$12,852,000.00	\$11,275,250.00
Contributions of employed, . . . . .	18,445,000.00		11,275,250.00
Total, . . . . .	<i>e</i> 31,416,000.00	<i>e</i> 16,184,000.00	<i>e, f</i> 25,751,600.00
EXPENDITURES:			
Benefits, . . . . .	22,610,000.00	7,735,000.00	<i>f</i> 5,331,200.00
Administration, . . . . .	<i>g</i> 1,475,600.00	<i>g</i> 1,761,200.00	<i>g</i> 1,066,240.00
Total, . . . . .	<i>h</i> 29,512,000.00	<i>h</i> 12,852,000.00	<i>f h</i> 25,751,600.00
Accumulated funds, . . . . .	<i>i</i> 26,180,000.00	<i>i</i> 24,038,000.00	<i>i</i> 38,758,300.00
Benefits per case, . . . . .	8.33	44.03	<i>f</i> 28.56
Charges per person insured, . . . . .	3.332	.714	<i>f</i> 2.142

(a) Persons employed for wages or salary in trade and commerce, partly in agriculture (forestry) and domestic service.

(b) Persons employed in industry and agriculture (forestry), not in commerce, handicrafts and petty trades, including about 4,000,000 small farmers (with areas under 24.71 acres), and as many persons insured in additional or double employments.

(c) Workers of all trades and servants, likewise (industrial and agricultural) official and commercial assistants with regular year's earnings up to \$476.

(d) Persons having received legal assistance in money or in kind (free medical or hospital treatment, medicines, etc.), provided by the workmen's insurance laws for disability caused by sickness, accident, invalidity, or old age.

(e) Including balance on hand at the commencement of the year and interest on investments.

(f) Including State subsidies.

(g) Including the current costs of the whole organization.

(h) Including the year's addition to the funds.

(i) Provided by law in order to secure the payments named.

this to 16 or 17 per cent. In four years' time 60,000 claims have had to be refused, and this furnishes ground for criticism and disappointment. Playing sick under the insurance laws, which was originally conceived to be a formidable obstacle to contend with, is now less considered, possibly because less resorted to, possibly also because better means are found for preventing it. It is very natural that the unworthy classes should hasten to exploit so tempting an opportunity, and thus create an alarming showing during the first few years. There is reason to believe, however, that this was but temporary and that the phenomena will not occur again. What part of the cost of insurance falls ultimately upon industrial profits, upon the wage-earner, or upon the independent consumer cannot be accurately stated. A great deal has been written in support of widely different views.

German industry certainly at the beginning greatly feared the burden, but up to date there are no reliable statistics to show whether such fears have been justified by experience. The financial charges, however, are of considerable account, and indications as to who are paying the bills must some day be made clear. As regards the relation of insurance laws to public charity, Mr. Brooks believes that there are as yet no pertinent facts to prove that the actual burden of charity has been lightened, but he also admits that it would be unjust to the legislation to discredit it for not having produced such results up to date.

Mr. Brooks asserts that certain confident claims which were made by early advocates for compulsory insurance legislation have not only not been fulfilled, but there is scarcely a sign that they will be. Bismark's idea that laborers would be made contented, the hope that certain classes of the insured would more readily go to the country, checking social-democratic propaganda, lightening the charity burden, inculcating habits of thrift, and creating harmonious relations between employers and employed, have none of them to any important extent materialized. These disappointments are of little consequence as compared with indications that results of the widest social advantage are to follow. The influences of organization of the highest social forces on such a magnificent scale are beginning to be felt, and judgment on ultimate effect must be delayed until a sufficient time shall have elapsed to give this profoundly ethical scheme a fair and impartial trial under the favorable conditions which Germany offers. Mr. Brooks believes that no mere material or strictly economic test can be applied to this legislation, and he would therefore rather direct the judgment to essential moral and educational influences which are beginning to be definitely established. Arousing the social conscience of a great nation, and training the national mind to grapple with this grave problem cannot fail to awaken distinctively hopeful influences elsewhere. All industrial countries will now watch in critical expectation, and if, as seems probable, labor and social insurance in some form will make the tour of the civilized world, others will gain wisdom from the pioneer experience of Germany.

E. R. L. GOULD.

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*Die Bauernbefreiung und die Auflösung des gutsherrlich-bäuerlichen Verhältnisses in Böhmen, Mähren und Schlesien.* Von KARL GRÜNBERG. 2 vols. Pp. 432 and 497. Price, 16 marks. Leipzig: Duncker und Humblot, 1894.

German works dealing with the history of civilization have been directed recently with particular interest to the study of those great